

FARM REAL ESTATE VALUES  
IN OHIO

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# FARM REAL ESTATE VALUES IN OHIO

## Sale Price and Tax Valuation of Farm Real Estate

The data assembled herein are the result of the cooperative efforts of the Department of Rural Economics and the Ohio Association of Real Estate Boards. For the past three years the Department of Rural Economics has been assembling information relative to farm real estate sales in ten counties selected to give the various sections of the State a fair representation. The efforts of the Real Estate Boards has more than doubled the number of counties from which information has been obtained. Individual real estate men have contributed a very considerable amount of effort and time to the collection of information in their counties. This report is intended to return to the various real estate boards and individual real estate men a slight recompense for their labors.

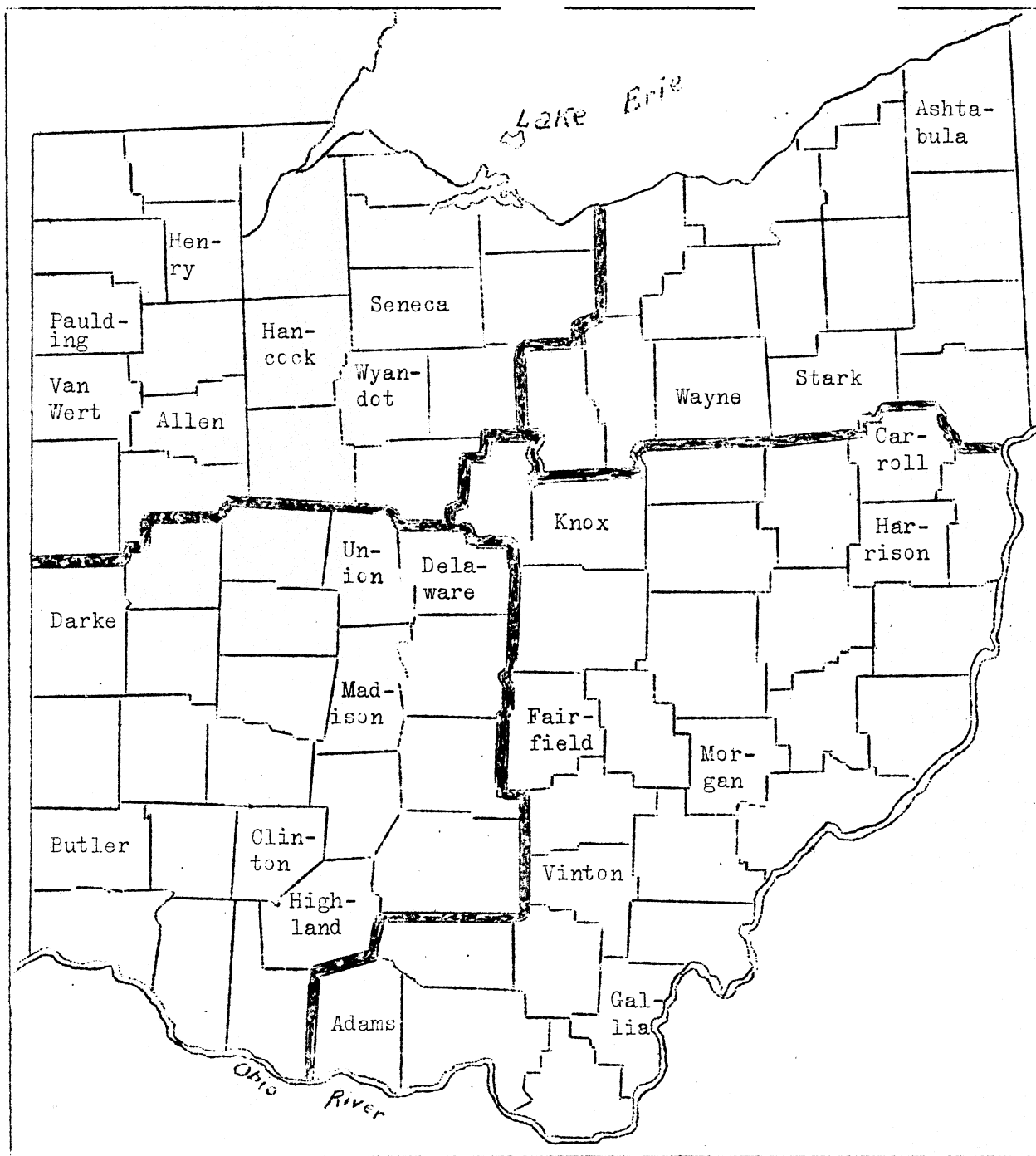
## Voluntary Sales of Farm Property 1923 - 1926 and 1926 - 1928

Sales of farm real estate occurring in two periods have been grouped in Table 1. So few sales are available each year in some counties that it is desirable to group the sales occurring in a period of two or three years to better indicate the average values in each county. The information on sales in the first period, extending from the beginning of 1923 to March 1926, was assembled by the Tax Commission of Ohio. The present use has been made possible through the courtesy of the Tax Commission. Data in the second period, extending from January 1926 to September 1928, were obtained through the cooperation of the Ohio Association of Real Estate Boards and the Department of Rural Economics.

It has been intended to include under the heading, voluntary sales, only transactions where both parties to each sale were free to bargain. Table 1 was based on such transactions occurring in 22 counties. However, the totals and averages were derived from twenty counties. Data from Fairfield and Vinton were incomplete. (See foot note Table 1.) It should be stated that the 1923-1926 average tax valuation and sale price in Table 1 are practically the same values as were indicated by similar data assembled by the Tax Commission from 73 counties in the same period. It would seem probable that the 1926 - 1928 data would also be fairly representative of all farm real estate in Ohio.

The 1923 - 1926 sales have a median date located about September, 1924. (That is, one half the sales occurring before and one half after the median date.) The 1926 - 1928 sales have a median date located about March 1927. Approximately two and one half years elapsed between these two dates. The average sale price in the later period was \$4.41 lower; but the tax valuation was also \$1.15 lower. A lower tax valuation of the lands sold in the 1926 - 1928 period may have resulted from a number of causes. A few will be suggested: (1) a slight difference in the type of property sold in the two periods; (2) too few sales from individual counties may not have given a true cross section of values within the county; (3) county auditors have made some revisions, usually downward, since the 1925 re-appraisement.

Chart 1.- Ohio: Counties from which information relative to farm real estate sales has been assembled. #



# Foot note. The state also has been divided into four districts to better indicate the range and trend in values in different sections of the State from 1923 to 1928. See Tables 2 and 3.

**Table 1.- Voluntary Sales of Farm Property in Twenty-two Ohio Counties:  
Sale Price and Tax Valuation, 1923 - 1926 and 1926 - 1928.**

#1										
1923 - 1926						1926 - 1928				
County	No. of sales used	Acres sold	Sale price per acre	Tax valu ation per acre	Tax valua tion in percent of sale price	No. of sales used	Acres sold	Sale price per acre	Tax valua tion per acre	Tax valu ation in percent of sale price
Adams	100	9280	\$ 30.75	\$ 25.37	82.51	85	9807	\$ 28.05	\$ 29.19	71.99
Ashtabula	427	25137	66.03	56.37	85.37	127	9357	52.48	45.75	87.17
Butler	203	12096	132.47	117.90	89.--	109	10264	87.80	90.25	102.78
Carroll	115	8925	47.40	35.40	74.68	141	11882	40.26	30.62	76.05
Clark	182	12048	127.11	114.83	90.34	11	1152	110.58	105.23	95.15
Clinton	83	5807	89.13	71.56	80.29	18	1954	82.33	79.00	95.95
Farke	339	19850	109.67	92.21	84.08	18	1409	96.52	93.53	96.91
Fairfield *	211	13663	91.69	75.75	82.62	71	6157	95.72	-----	-----
Gallia	294	17438	35.91	29.52	82.21	21	1171	44.29	33.15	74.85
Harrison	132	8921	54.03	39.40	72.93	63	3796	51.25	40.95	79.91
Henry	179	9678	144.26	106.33	73.71	111	6432	143.73	104.09	72.42
Highland	130	8980	50.73	42.64	84.06	9	752	71.87	55.92	77.79
Knox	177	12177	58.07	48.75	83.95	6	554	65.74	58.16	88.46
Madison	82	7846	61.08	69.92	86.24	12	1658	76.54	72.88	92.79
Morgan	155	10020	32.33	31.53	97.52	77	5712	33.10	30.90	93.36
Seneca	260	8861	109.60	94.55	86.27	146	10439	90.96	86.13	94.70
Stark	269	15400	124.28	92.24	74.22	23	1479	116.93	87.36	74.71
Union	201	15312	86.31	74.21	85.98	126	10988	79.83	68.34	85.60
Van Wert	172	10198	112.88	100.05	88.63	146	9495	120.46	98.51	81.75
Vinton *	175	10585	26.58	20.22	76.08	22	1552	16.28	17.06	104.79
Wayne	144	9003	97.32	79.19	81.37	141	10036	97.50	84.27	86.43
Wyandot	134	9328	85.44	78.66	92.30	11	1067	94.32	92.39	97.90
Total or Average	3778	236,305	83.74	70.03	83.63	1401	109,404	79.33	68.88	86.33

\* 1923 - 1926 Data gathered by the real estate examiners of the Tax Commission of Ohio, only the first three months of 1926 were included.

\* Data not complete and not included in totals or averages.

Fairfield County: No tax valuations given for 1926 - 1928 sales.

Vinton County : Data for 1926 only; no information on sales since 1926.

It is well to compare the ~~tax valuations~~ and sale prices in Table 1 with the above factors in mind. Briefly, the data indicate that a \$4.41 drop in sale price was connected with an increase of 3.20 per cent in tax valuation relative to sale price. That is the tax valuation changed from 83.74 per cent to 86.83 per cent of the sale price in about 2½ years. The above comparisons are based on totals from twenty counties. Data from individual counties vary somewhat from these averages. Table 1 can best be used to obtain an idea of the average value existing in each county. Trend in value can be better indicated by another method which will be considered at this point.

#### Year to Year Trend in Sale Value

It has been suggested above that too few sales are available from several counties to indicate a reliable trend from year to year. By grouping several counties into a district this objection may be overcome. The available data have been assembled, by years, in four districts of the State. (See chart 1 for counties and districts.) Table 2 gives the State and district average per acre value of farm lands sold each year from 1923 to 1928. Table 3 indicates the relative change in sale price which occurred in this period.

Method used to obtain a year to year trend. - Often the number of sales on which information can be obtained in a county in a given year are too limited to give a true cross section of value in the area. Farm real estate varies greatly in soil, topography, drainage, fertility, amount of waste land, location and improvements. These factors may cause a considerable difference in the average price per acre of farm lands sold in two consecutive years in the same county. Obviously some means of checking or measuring these differences in type of the property sold would be necessary before judging accurately what the trend in market value may be from year to year. Enough uniformity occurs in the relation existing between the tax valuation and sale price to give some value to the former as a check on the type of land sold. For example, if the average sale price of farm land sold in a certain county were found to be \$20 higher than the sale price in a previous year it will be usually found that the tax valuation will vary in about the same proportion. This would indicate a difference in the quality of the land sold rather than a general change in the market price. Providing of course, that no revision in tax valuations occurred in the meantime. From the above reasons the tax valuations were used to check the sales data as assembled in Tables 2 and 3. It is believed this method has given more accurate results than would be possible except when a very large sample is available. Where a large number of cases are grouped together, as in Table 1, such weighting is not so necessary. A fairly definite idea of the trend in sale price may be obtained from Tables 2 and 3.

The State: Sale price in dollars per acre declined from \$88.92 in 1923 to \$75.61 in 1928. This was a relative change of 15% in 6 years.

Districts: The Northwest, Northeast and Southwest sections of the State had practically the same relative decrease in price, namely, a 16 to 18 per cent change. Some differences in dollar values existing in these different areas make the decline seem more apparent in the Northwest area; but the data indicate no greater relative decrease than occurred in the Northeast and nearly the same as the Southwest. The data from Southeastern Ohio show no significant change in sale price in this six year period. A great diversity in type of land exists in the Southeast area. This may have obscured some trend in value al-

Table 2 .- Average Sale Price of Farm Real Estate in Ohio and in Different Districts of the State, by years, 1923 - 1928.

Year	Sale Price (Dollars per acre)				
	State	District of State			
		North- west	North- east	South- east	South- west
1923	\$ 88.92	\$120.77	\$ 83.50	\$ 49.03	\$102.39
1924	84.06	111.19	75.80	46.92	102.35
1925	83.46	108.68	75.93	46.85	102.37
1926	83.30	116.12	73.68	49.78	93.61
1927	81.31	106.28	75.10	46.56	97.32
1928	75.61	99.25	68.28	48.91	86.02
6 year average	82.78	110.38	75.38	48.01	97.34

Table 3 .- Relative change in Sale Price of Farm Real Estate in Ohio and in Different Districts of the State from 1923 to 1928.

Year	Relative change in Sale Price (1923 = 100)				
	State	District of State			
		North- west	North- east	South- east	South- west
	Per cent	Per cent	Per cent	Per cent	Per cent
1923	100	100	100	100	100
1924	95	92	91	96	100
1925	94	90	91	96	100
1926	94	96	88	102	91
1927	91	88	90	95	95
1928	85	82	82	100	84
6 year average	93	91	90	90	95

though the available data seemed to be adequately representative. Apparently, farm real estate of a certain quality in Southeastern Ohio is selling better than property of like quality in other sections of the State.

### Change in Tax Valuation Relative to Sale Price

All the tax valuations given in this report are the values set by the 1925 re-appraisement even though some of the sales data were previous to this date. Therefore the average tax valuation as reported herein, on the land sold each year from 1923 to 1928 remained about constant. Aside from the slight changes made by county auditors in the last two years and the random variations discussed in connection with table 1, no change could be expected, or in fact did occur. The 1923 to 1928 average tax valuation per acre existing on the lands sold in all the counties and in the counties assembled into districts were:

All counties, -	\$69.45
Northwest district,	90.86
Northeast district,	66.08
Southeast district,	33.35
Southwest district,	80.82

When assembled by years the changing relation existing between the tax valuation and sale price assumes some significance. Table 4 below, indicates that due to the drop in market price the average tax valuation is approaching very near to the sale price. Exception to this statement must be made for the data from the southeastern area.

Table 4 .- Ratio of Tax Valuation to Sale Price of Farm Real Estate Sold Each Year, 1923 - 1928.

(Sale Price = 100)

Year	State (Based on 20 counties)	District			
		Northwest	Northeast	Southeast	Southwest
	Per cent	Per cent	Per cent	Per cent	Per cent
1923	77.45	74.66	73.52	77.95	89.67
1924	81.31	81.10	80.99	81.46	83.70
1925	82.27	82.97	80.85	81.58	83.68
1926	83.80	77.66	89.26	76.78	91.52
1927	84.17	84.85	81.74	82.08	88.02
1928	89.62	90.85	89.90	78.13	99.59
6 year average	83.10	82.01	82.71	79.66	88.36



### Involuntary Sales of Farm Real Estate

A large number of transfers of farm property since 1920 have been at forced sale. Foreclosures, delinquent tax sales, assignees sales, etc. have been frequent, partly on account of the depression in agriculture and partly as an aftermath of the inflated land prices of the post war period. In addition to the above forced sales are estate settlements. The element of immediate necessity may not attend an administrator's or executor's sale in the same degree as is present in a foreclosure; yet a lower price is usually obtained than when similar property is sold by an owner who is in position to freely bargain. All the above types of sales have been grouped in Table 5 under the heading of involuntary sales. The average sale price per acre of such transactions, occurring from 1926 to 1928, was \$54.67 as compared with an average tax valuation of \$64.54 which was 118% of the sale price. Forced sales may not be indicative of full market value; but if enough land is thus thrown on the market the result must be a lower price on other similar real estate sales regardless of the circumstances attending the transactions.

Table 5 .- Involuntary Sales of Farm Property in Twenty Ohio Counties: Sale Price and Tax Valuation, 1926 - 1928

County	Number of sales used	Acres sold	Sale price per acre	Tax valuation per acre	Tax valuation in percent of sale price
Adams	19	1509	\$ 24.14	\$ 23.23	96.22
Ashtabula	30	3568	29.72	39.66	133.43
Carroll	16	1229	19.66	26.25	133.49
Clark	6	834	81.09	130.46	160.87
Clinton	22	2413	58.84	69.83	118.68
Delaware	23	2304	48.27	59.28	122.80
Gallia	8	479	51.52	50.31	97.67
Harrison	24	1914	44.53	43.50	97.67
Henry	18	1471	92.57	96.57	104.33
Highland	9	1021	29.14	34.58	118.70
Knox	36	3424	51.05	59.27	116.10
Madison	9	2172	73.35	72.79	99.23
Morgan	8	721	20.74	27.71	133.64
Faulding	23	2490	67.64	87.61	129.52
Seneca	23	2438	64.51	82.11	127.28
Stark	2	134	54.71	84.51	154.46
Union	24	2966	57.72	64.62	111.95
Van Wert	21	1225	91.74	85.75	93.47
Wayne	19	1587	73.71	82.25	111.58
Wyandot	2	250	58.70	70.44	120.--
Total or average	342	34,149	54.67	64.54	118.05

### Appendix

The data for Hancock County, assembled by the Findlay Real Estate Board for the period 1926 - 1928, were received too late to be incorporated in the main part of this report. The following table indicates the results obtained. Information assembled by the Tax Commission for the period 1923 - 1926, has been inserted in the same table that the probable trend in market price in the two periods, 1923 - 1926 and 1926 - 1928 may be compared.

Hancock County: Average Sale Price and Tax Valuation of Voluntary Sales in Two Periods, 1923 - 1926 and 1926 - 1928; Involuntary Sales, 1926 - 1928.

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Nature of transactions	Period	Number of sales	Acres sold	Average sale price per acre	Average tax valuation per acre	Tax valuation in per cent of sale price
Voluntary sales	1923-1926	288	17,122	\$107.91	\$87.67	81.24%
Voluntary sales	1926-1928	42	3,200	110.51	96.80	87.59
Involuntary sales	1926-1928	42	3,851	75.09	89.56	119.27

Both the average sale price and tax valuation in the transactions reported for the 1926 - 1928 period were higher than in the 1923 - 1926 period. This would indicate that a slightly better type of property was reported sold from 1926 to 1928. When measured by the ratio of tax valuation to sale price, a decrease of 6.35% in the sale price would be indicated for 1926 - 1928 as compared with the average sale price for the 1923 - 1926 period. That is, considered thus, the property which sold at an average price of \$107.91 from 1923 to 1926 would have sold at \$101.06 per acre from 1926 to 1928. Apparently, about the same rate of decline from year to year occurred in Hancock County as occurred in other counties of the northwest area.

